

City of Mesa

FY 13/14

Utility Rate Recommendations

Audit, Finance & Enterprise Committee

April 11, 2013

Presented by the Office of Management and Budget



Enterprise Operations Financial Summaries

- Each utility is operated as a separate business center
- Debt Service has a significant impact on future rates
- Total Transfer amount from Enterprise fund will remain the same
- Fund balance is used to smooth the rate adjustments year-to-year
- Combined Ending Fund Balances will adhere to the adopted financial policy of at least 8-10%

Proposed Rate Adjustments

	Prior Year FY 2013/14 Projection	FY 2013/14 Proposal
Electric	0.0%	0.0%
Gas	0.0%	0.0%
Water	0.0%	0.0%
Wastewater	0.0%	0.0%
Solid Waste	0.0%	0.0%
District Cooling	0.0%	0.0%

Tentative Utility Rate Adjustments Beyond FY13/14

	FY 2014/15	FY2015/16	FY2016/17	FY2017/18
ELECTRIC	2.000%	2.000%	2.000%	2.000%
GAS	3.000%	3.000%	3.000%	3.000%
WATER	4.100%	3.800%	3.000%	3.000%
WASTEWATER	4.100%	3.800%	3.000%	3.000%
SOLID WASTE	4.100%	3.800%	3.000%	3.000%

Tentative Utility Rate Adjustments Beyond FY13/14

	AVERAGE RESIDENTIAL MONTHLY BILL	ANNUAL IMPACTS			
		FY2014/15	FY2015/16	FY2016/17	FY2017/18
Water	\$38.21	\$1.57	\$1.51	\$1.24	\$1.28
Wastewater	\$25.03	\$1.03	\$0.99	\$0.81	\$0.84
Solid Waste	\$23.88	\$0.98	\$0.94	\$0.77	\$0.80
Avg Homeowner	\$87.12	\$3.57	\$3.45	\$2.82	\$2.91
Electric	\$77.18	\$1.54	\$1.57	\$1.61	\$1.64
Gas	\$24.47	\$0.73	\$0.76	\$0.78	\$0.80

Schedule for FY 13/14 Utility Rate Consideration

May 6 – Adopt Utility Rate Notice of Intention

June 3 – Introduce Utility Rate Ordinances

June 17 – City Council Action on Utility Rates

July 30 – Effective date for Utility Rate changes

Enterprise Operations Beyond FY1314

- Energy Resources will be negotiating new contracts for electric power and natural gas in the coming year that may affect rates in future years.
- Solid Waste is exploring the options and savings that CNG vehicles offers. Landfill and Transfer contracts are coming due and options are being explored in these areas as well.
- Water Resources will be coming back at the end of August to get direction as to possible rate restructuring options in order to more closely reflect changes in water consumption being experienced by the City.

